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## Battle of the nations: Consumer perceptions of wine origins

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# Battle of the nations: Consumer perceptions of wine origins

## Abstract

**Purpose:** The purpose of this paper is to examine whether purchasers identify a wine's country of origin and what their perceptions are of products originating from various wine producing nations.

**Design/methodology/approach:** An interviewer-administered questionnaire was used to examine the views of 399 consumers as they made actual purchase decisions inside stores in New Zealand, Australia, the United Kingdom and the United States.

**Findings:** The results indicate that the majority of consumers can identify the origin of the wine they purchase (83%). In addition, the perceptions of wine that consumers hold do vary based upon a wine's country of origin.

**Practical implications:** These results suggest that country of origin perceptions differ across wine producing nations and that these differences are likely to be associated with a financial cost or benefit to wine producers.

**Originality/value:** Few previous country of origin studies have asked consumers, at the time of purchase, if they can identify the origin of the product they have chosen. This study adds to current knowledge by providing evidence that wine purchasers are likely to know the origin of the wine they purchase and that their perceptions of these origins will indeed vary.

**Keywords:** country of origin, wine, perceptions

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## 1 Introduction

Prior consumer behaviour research has found that, in general, consumers hold stereotyped images of a product based upon its country of origin (Bilkey & Nes, 1982). These stereotyped images are typically applicable to a specific product class, rather than being generalisable across all products that originate from a country (Roth & Romeo, 1992). The product-country of origin images that consumers have affect their purchase intentions, and in particular their evaluation of product quality.

A product such as wine has strong links to origin, and thus the country of origin cue has frequently been found to be an important consideration for wine purchasers (e.g. Halstead, 2002; Keown & Casey, 1995). Previous research has sought to rank consumer preferences for wines from various national origins (Balestrini & Gamble, 2006; Felzensztein & Dinnie, 2005; Orth, Wolf, & Dodd, 2005), or has examined the relationship between wine origin and wine pricing (Arias-Bolzmann et al., 2003; Schamel, 2006).

The country of origin literature is dominated by the examination of durable and manufactured products such as automobiles, electronics and apparel. Much of this previous research is based on an assumption that consumers actually do identify a products' origin when they are making a purchase. This paper addresses gaps in current knowledge by determining (1) whether consumers do in fact identify and utilise a wines' country of origin when making a purchase decision and (2) the images or perceptions that consumers have of wines based on their origin. These perceptions will be of considerable importance to wine producers in a highly competitive global wine market.

## 2 Country of origin

Country of origin is an extrinsic product cue and it affects the behaviour of consumers in a similar way to price or brand name cues. The effect of the 'made in...' label on a product has been widely studied by business, marketers and consumer behaviour researchers (Peterson & Jolibert, 1995). The country of origin cue has been defined as "consumers' general perceptions of quality for products made in a given country" (Han, 1990, p.24). Similarly, Roth and Romeo (1992, p. 479) stated that "country image is the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses". Nebenzahl, Jaffe and Lambert (1997, p. 28) defined country of origin effects as "the impact that generalisations and perceptions about a country have on a person's evaluations of the country's products and/or brands". The country of origin concept is based upon the notion that people hold stereotypical images of countries.

Consumers use stereotypical country images to make complex choice decisions easier (Lee, Yun, & Lee, 2005). Stereotypes simplify decision making by allowing consumers to rely on previously stored knowledge instead of processing new incoming information (Hilton & von Hippel, 1996). Stereotypes are a biased view of a stimulus, and in the case of nations they can be positive, negative or neutral (O'Shaughnessy & O'Shaughnessy, 2000). Morello (1984) suggested that stereotyped images are personalised feelings of what people both *know* and *feel* about a country; these images have an effect on the behaviour of consumers.

It has been found that consumers use the country of origin cue heuristically to assign meaning to other product attributes (Goldberg & Baumgartner, 2002). Although extrinsic cues such as the country of origin, price, brand name, labelling, and warranty have no direct bearing on product performance or quality, they are indicators that influence consumer product evaluations, perceptions of risk and purchase intentions (Bilkey & Nes, 1982). Indeed, Papadopoulos and Heslop (2002) noted that the country of origin cue is used by consumers to reduce perceived risk and to assess the social acceptability of the products that they purchase. Country of origin research is, at its simplest level, the study of how a product's national origin influences consumer evaluations and behaviours.

Previous country of origin research has revealed that consumers hold stereotyped views of products based upon the production country of origin (e.g. Klein, Ettenson & Morris, 1998; Lawrence, Marr & Prendergast, 1992) and these views can change over time (e.g. Darling & Peutz, 2002; Nagashima, 1977). In particular, the country of origin cue has a strong influence on consumer evaluations of product quality (e.g. Agrawal & Kamakura, 1999; Ahmed et al., 2002; Hoffman, 2000; Papadopoulos & Heslop, 2002), on their purchase intentions (e.g. Bilkey & Nes, 1982; Knight & Calantone, 2000; Peterson & Jolibert, 1995) and on their perceptions of purchase risk (e.g. Cordell, 1991; Usunier & Lee, 2005). The perceptions consumers hold of wines, based upon their country of origin, have not been thoroughly examined in current literature. This study addresses this gap. Consumers have also been found to have a bias towards products originating from their own nation (e.g. Chinen et al., 2000; Darling & Kraft, 1997; Loeffler, 2002) and a bias against products that originate from lesser developed nations (e.g. Cordell, 1991; Quester, Dzever & Chetty, 2000). No literature has been found that has examined whether consumers hold a bias towards wines originating from their own nation; this gap is also addressed in this study.

Whilst researchers have extensively examined the effects of the country of origin cue, several key issues with many of these previous studies have been noted. The most significant of these issues is that an assumption has been made that consumers know or actively acquire country of origin information when purchasing products (Cordell 1992; Liefeld, 2004; Samiee, Shimp & Sharma, 2005). Previous studies that advocate the importance of the country of origin cue have predominantly failed to examine whether consumers actually know a product's origin. Evidence seems to contradict this key assumption (e.g. Forney et al., 1999; Hester & Yuen, 1987; Wall & Heslop, 1986). For example, in a study of US consumers, Liefeld (2004) reported that at the time of purchase 93.5% of respondents could not correctly identify the country of origin for the product they had just purchased. No previous study has examined whether consumers can indeed identify the country of origin of wine at the time of purchase; this study addresses this gap. Other issues with country of origin research have also been identified, including (1) the dominance of single cue studies that inflate the impact of the country of origin effect, (2) the use of hypothetical rather than real products, and (3) the dominant examination of durable and manufactured product categories (e.g. Bilkey & Nes 1982; Liefeld, 2004; Peterson & Jolibert, 1995; Usunier & Lee, 2005; Verlegh & Steenkamp, 1999).

### 3 Country of origin and wine

Agricultural products are ideal for studying the country of origin effect, because they are often historically associated with a country or region of origin (Beverland & Lindgreen, 2002; Skuras & Vakrou, 2002). Such associations between place and wine are also historically strong (Banks, Kelly, Lewis, & Sharpe, 2007). Many countries, including France, Australia, New Zealand, Germany, Italy, Bulgaria and Spain, use unified marketing campaigns to promote themselves as reputable wine producing nations. This strategy hints at the importance of the country of origin to the wine industry; research with consumers verifies the importance of this attribute.

Keown and Casey (1995) questioned Northern Ireland wine consumers and reported that the country of origin cue was the single most important wine choice factor. Similarly, Halstead (2002) and Goodman, Lockshin and Cohen (2007) reported that consumers in multiple markets ranked a wine's origin as one of the most important attributes. A survey of Scottish wine consumers revealed that the country of origin was the second most important evaluative criteria in the wine purchase selection process (Felzensztein & Dinnie, 2005). The country of origin cue was also found to be the second most important factor to Chinese consumers during the wine purchasing process (Balestrini & Gamble, 2006). The country of origin cue was found to be more important to Chinese consumers when purchasing wine for a special occasion, than when they were purchasing it for their own private consumption (Balestrini & Gamble, 2006). A key reason for the importance of wine origin to consumers is the link between this cue and the perception of product quality.

Wall and Heslop (1986) examined the views of Canadian consumers toward domestic and international wines; the quality image of Canadian wine was found to be lower than that of French, Italian, German and Spanish wines. A study of US wine buyers (Orth, Wolf & Dodd, 2005) revealed a strong link between the origin of wine and consumer perceptions of wine quality; California was identified as the most preferred wine origin, followed by France, Italy, Australia, Oregon, Chile, Spain, and Washington, with New Zealand the least preferred. Felzenstein and Dinnie (2005) reported that Scottish consumers perceived those wines from Australia and France as being of premium quality. Hamlin and Leith (2006) used a series of field experiments to assess the country of origin impact on consumer evaluations of wines from four nations. The country of origin cue was found to have a significant effect on the wine quality evaluations of consumers in both the UK and New Zealand. The impact of the country of origin cue was stable across the provided examples of white and red varietals, suggesting that the cue is utilised by consumers as a relatively steady heuristic when they are evaluating all wines from a specific nation (Hamlin & Leith, 2006).

Perhaps not surprisingly, the perceptions linking origin and wine quality extend to include the price attribute too. Using a hedonic model, Schamel (2006) analysed the quality evaluations and price data for premium wines published in *Wine Spectator* over a twelve month period; high quality whites and reds from Burgundy, along with whites from the Rhone Valley, achieved significantly higher prices than the Napa averages, but the prices of other Old World producing nations (i.e. Germany, Spain and Portugal) had been surpassed by Australian and New Zealand wines. Another study analysed 420 wines appearing in *Wine Spectator* to reveal that French wines in the US market achieve a significant price premium,

after controlling for factors such as variety, age and quality ratings (Arias-Bolzmann et al., 2003). Compared to Californian wines, those from Chile and South Africa were found to receive a significant markdown in price, whilst those from Australia, New Zealand and Italy did not differ significantly from the Californian baseline. These studies illustrate a clear relationship between wine origin and price, and indirectly wine quality.

The literature suggests that the country of origin cue is important to wine consumers (e.g. Balestrini & Gamble, 2006; Halstead, 2002; Goodman, Lockshin & Cohen, 2007). However, previous studies that have reported this importance have generally provided a list of attributes to respondents and asked them to rank the importance based on their most recent *remembered* wine purchase or on their *typical* wine purchase behaviour. No previous study has questioned consumers at the time of wine purchase and identified whether they do identify the origin of the wine that they have chosen. This research addresses these gaps with the following research question:

*RQ1 Do wine consumers identify and utilise the country of origin when they are making a wine purchase decision?*

The literature also reveals the relationship between the country of origin and both wine quality perceptions and wine price. However, little previous research has been found to have examined the images that consumers have of wine originating from various countries across the dimensions that are typically used to measure the country of origin effect (e.g. price and value, quality and prestige, and presence in the marketplace). This leads to a second research question:

*RQ2 Do the perceptions consumers have of wine, vary depending on the country of origin?*

#### **4 Method**

An interviewer-administered questionnaire was used to collect quantitative data from individual respondents in four countries (i.e. New Zealand, Australia, the UK and USA). The interviews were performed in natural market settings inside supermarkets, liquor stores and specialty wine stores during various times of the day and days of the week. Respondents were intercepted just after they selected a bottle of wine to purchase and were thus questioned about their actual purchase decision rather than being required to recall typical or previous wine purchasing behaviour. This method helped the study to identify *actual* purchase behaviour and to reduce the likelihood of the response biases noted by previous researchers (e.g. Desai, 2002; Grunert, 1986). A total of 399 respondents agreed to be interviewed with a response rate of 62 percent. Respondents were predominantly from New Zealand and Australia, with these nationalities accounting for 74 percent of the sample.

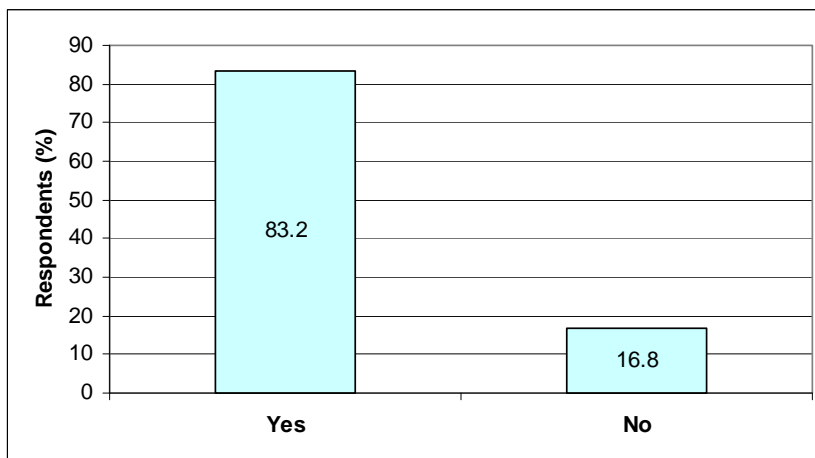
A three-phased pre-testing approach was used to finalise the contents of the questionnaire. In the first phase the validity of each construct was reviewed by expert participants, followed by a second phase in which the face validity was reviewed by a non-expert panel. The non-expert panel examined their understanding of each question and ensured the

wording of the questionnaire was clear and not ambiguous. Finally, the questionnaire was pilot-tested by interviewing respondents in a liquor store. A few minor changes were made to the questionnaire as a result of the pre-testing phases.

Each respondent was asked “did you notice which country the wine you purchased today was made in?” and if their answer was “yes” they were then asked to identify the country of origin. Questions were then used to examine the country of origin perceptions that each respondent held, specific to the origin of the wine they had just purchased. Country of origin perceptions were measured across the dimensions of ‘price/value’, ‘quality/prestige’ and ‘market presence’. These dimensions were adopted or adapted from previous country of origin research (e.g. Agarwal & Sikri, 1996; Han, 1990; Knight & Calantone, 2000; Mohamad et al., 2000; Papadopoulos & Heslop, 2002; Roth & Romeo, 1992). A total of fourteen items were used to measure perceptions across the three dimensions, using Likert scales ranging from ‘1’ (strongly disagree) to ‘7’ (strongly agree). The collected data were analysed in SPSS, with significance being tested at the .05 level.

## 5 Results and discussion

The first research question (RQ1) examined whether consumers *identify* a wine’s country of origin when making a purchase decision. Figure 1 illustrates that over 83 percent of wine purchasers could accurately identify the origin of the wine they had selected to purchase.



**Figure 1: Identification of the purchased wine’s country of origin**

The vast majority of previous country of origin research has been based on the assumption that consumers know, or acquire, product origin information during the purchase process (e.g. Cordell, 1992; Samiee et al., 2005). Two studies have indicated that this assumption is not correct; the majority of consumers were not able to accurately provide origin information for the products they had purchased (Hester & Yuen, 1987; Liefeld, 2004). These studies had interviewed consumers who had purchased items in various product classes, but neither of them had focused on wine.

Figure 1 provides evidence that the majority of consumers either know or acquire country of origin information about the wine they select and are able to accurately recall this



information at the point of purchase. This result differs from the results of Hester and Yuen (1987) and Liefeld (2004). The reason for this difference may be the strong historical relationships between agricultural products such as wine and their origins (Beverland & Lindgreen, 2002; Skuras & Vakrou, 2002). This is endorsed by respondent comments such as *“wine is a fascinating thing – it is international, but is linked to places”* and *“different countries make different styles of the same varietal”*. This result suggests that the origins of products that people physically consume are more important than they are for other product classes that were included in the earlier Hester and Yeun (1987) and Liefeld (2004) studies (e.g. apparel, shoes, appliances, entertainment and communications equipment). It is also possible that the display of wines by country of origin groupings in some retail stores (e.g. in the UK market) may have influenced this result.

Research question one (RQ1) also examined whether consumers *utilise* the country of origin cue when making a purchase decision. Table 1 provides a list of the eight most frequently evaluated wine attributes, their average importance level, and the percentage of respondents who ranked each attribute as the single most important one during the wine purchase decision process. The importance of each attribute was measured using a scale ranging from ‘1’ (slightly important) to ‘5’ (extremely important).

**Table 1: Usage and importance of attributes**

Attribute	Percentage of sample who evaluated the attribute	Mean importance of the attribute	Percentage of sample who ranked attribute as most important
Price	45	3.02	17
Tried previously	36	3.69	25
Type (e.g. red/white)	35	3.76	26
Variety (e.g. Riesling)	31	3.88	24
Discounted price	28	3.38	14
Brand	22	3.08	9
Region of origin	19	3.36	10
Country of origin	14	3.51	9

Table 1 illustrates that the country of origin is the eighth most frequently evaluated attribute, with approximately fourteen percent of consumers utilising this attribute when they purchase wine. In terms of importance, the country of origin cue has the fourth highest average importance score and is ranked the single most important attribute by nine percent of wine consumers. While only fourteen percent of wine consumers stated that they utilise the country of origin cue during their purchase decision, the majority of the wine consumers could accurately identify a wine’s origin, thus suggesting that the cue may be evaluated by consumers at a subconscious level. This would also align with the country of origin cue being ranked fourth in terms of importance by wine consumers. This result provides support for previous research that has suggested the importance of the country of origin attribute to wine consumers (e.g. Balestrini & Gamble, 2006; Felzensztein & Dinnie, 2005; Halstead, 2002; Goodman, Lockshin & Cohen, 2007; Keown & Casey, 1995). The results for RQ1 provide evidence that consumers of wine identify and use the country of origin cue during the purchase process, and that a wine’s origin is of importance to them.

Table 2 illustrates the national origin of all of the wines purchased by the respondents during the data collection phase. Purchasing of wines originating from Australia and New Zealand were dominant in this study; this is likely to be due to the sample containing a large proportion of respondents from Australia and New Zealand. Further analysis of consumer perceptions is carried out only on data relating to wines originating from Australia, New Zealand, USA, France, Italy and Spain. Except for New Zealand, each of the nations are in the top ten wine producing nations in terms of wine volume and are thus of substantial interest.

**Table 2: Wine purchased by country of origin**

Wine Origin	Frequency	Percentage of Respondents
Australia	151	37.8
New Zealand	149	37.3
USA	31	7.8
France	22	5.5
Italy	19	4.8
Spain	17	4.3
South Africa	3	.8
Germany	2	.5
Chile	2	.5
Argentina	1	.3
Portugal	1	.3
England	1	.3

The second research question (RQ2) examined whether consumers' perceptions of wines varied depending on the country of origin. Tables 3 to 5 illustrate the mean values for each of the fourteen items that were used to measure the three country of origin dimensions. Each of the items was measured using Likert scales ranging from '1' (strongly disagree) to '7' (strongly agree).

**Table 3: Mean of items measuring the price/value dimension, by origin**

Item	France	Italy	Spain	USA	Australia	NZ
Value for money	4.68	5.42	5.59	5.55	5.93	5.39
Reasonably priced	4.55	5.53	5.47	5.23	5.69	5.07
Expensive	3.82	3.16	2.88	3.77	2.69	3.64

**Table 4: Mean of items measuring the quality/prestige dimension, by origin**

Item	France	Italy	Spain	USA	Australia	NZ
Prestigious	5.14	4.26	3.94	4.29	4.56	5.36
Consistently satisfied	4.68	5.16	4.94	5.26	5.58	5.66
Reputable producer	6.09	5.79	5.76	5.61	6.01	6.18
Rely on quality	5.55	5.21	5.24	5.13	5.77	5.81
Proud to buy	4.77	4.79	4.94	4.97	4.84	5.99
High overall quality	5.36	5.00	5.06	5.19	5.55	5.85
High status	5.59	4.37	3.94	4.55	4.83	5.50

**Table 5: Mean of items measuring the market presence dimension, by Origin**

Item	France	Italy	Spain	USA	Australia	NZ
Widely available	5.45	5.95	5.71	6.42	6.28	6.17
Lots of adverts	2.59	2.79	2.41	4.06	3.77	3.58
Wide variety choice	5.50	5.32	5.06	5.48	5.62	5.48
Many known brands	5.55	4.68	4.82	5.58	5.62	5.56

The data illustrated in Tables 3-5 suggests consumer perceptions of wine, across the fourteen items, do differ based upon wine origin. Subsequent ANOVAs were calculated for the three dimensions (generated through factor analysis) and the six countries of origins. Wine country of origin was found to have a significant effect on consumer perceptions of price/value [ $F(5, 362) = 14.54, p = .000$ ] and on consumer perceptions of quality/prestige [ $F(5, 362) = 11.91, p = .000$ ]. The wine's country of origin was also found to have a significant effect on consumer perceptions of market presence [ $F(5, 362) = 2.91, p = .014$ ]. These significant results (1) provide evidence that the country of origin has a strong influence on consumer perceptions of wine and (2) provide support for previous research reporting that consumers hold stereotyped images of products based upon their country of origin (e.g. Bilkey & Nes, 1982; Darling & Peutz, 2002; Klein et al., 1998; Leclerc et al., 1994; Lillis & Narayana, 1974). There are significant differences in the way that consumers perceive the wines from one country compared to those wines originating from another country.

Table 6 documents the results of the ANOVAs and illustrates the direction (i.e. positive or negative) of consumer perceptions for each of the country of origin dimensions. The table also illustrates the significant differences between countries in terms of consumer perceptions for each of the dimensions.

**Table 6: ANOVAs of dimension factors and wine countries of origin**

Dimension	France	Italy	Spain	USA	Aust.	NZ
Price/Value	-.7104 <sup>ISUAN</sup>	.1891 <sup>FN</sup>	.1970 <sup>FN</sup>	.0310 <sup>FA</sup>	.3864 <sup>FUN</sup>	-.2155 <sup>FISA</sup>
Quality/Prestige	.1385 <sup>SU</sup>	-.3377 <sup>N</sup>	-.5277 <sup>FAN</sup>	-.3213 <sup>FN</sup>	-.0501 <sup>SN</sup>	.4241 <sup>ISUA</sup>
Market Presence	.1251	-.3633 <sup>UAN</sup>	-.2783 <sup>UAN</sup>	.2204 <sup>IS</sup>	.1183 <sup>IS</sup>	.0888 <sup>IS</sup>

<sup>F</sup> significantly different at .05 level from French wines

<sup>I</sup> significantly different at .05 level from Italian wines

<sup>S</sup> significantly different at .05 level from Spanish wines

<sup>U</sup> significantly different at .05 level from USA wines

<sup>A</sup> significantly different at .05 level from Australian wines

<sup>N</sup> significantly different at .05 level from New Zealand wines

The direction of consumer perceptions, as noted in Table 6, is interesting. For instance, consumers hold a negative perception of the wines produced in France and New Zealand in terms of price and value. Conversely, wines from these same two countries were the only wines for which consumers had positive quality/prestige perceptions. It is clear that consumers may have a positive image about the wines from a specific country in terms of one or more dimensions, and yet hold negative perceptions about the same wines in terms of a different dimension.

Finally, the data for the individual items (as illustrated in Tables 3 to 5 above) can be averaged to provide a ranking for each dimension across the six nations of interest (NB. the

‘expensive’ item is reverse coded for this analysis). These rankings are illustrated in Table 7. However, it is worth noting that these results are somewhat influenced by domestic biases. In particular, loyalty is a key influencer on consumer perceptions. A number of the respondent comments suggested that loyalty to domestic wines had some influence over their purchase decisions; *“I tend to stick to USA wines”, “I always buy European wines because I am more aligned with Europe – I have a sense of belonging and identify with Europe”, “I have lived in Australia and therefore have a preference for their wines”, “I like to support the New Zealand wine industry”, “I only drink New Zealand wines and this is due to patriotism” and “I tend to stick to Californian wines to be nationalistic and to support the local economy”*.

**Table 7: Wine origin rankings**

Country of Origin	Price/Value (mean of 3 items)	Quality/Prestige (mean of 7 items)	Market Presence (mean of 4 items)	Wine Country of Origin Ranking
Australia	5.31	5.31	5.32	1
New Zealand	4.61	5.76	5.20	2
USA	4.67	5.00	5.39	3
Italy	4.93	4.94	4.69	4
Spain	5.06	4.83	4.50	5
France	4.14	5.31	4.77	6

In terms of overall rankings, Table 7 indicates that Australia is the top wine producing nation, followed by New Zealand and the USA (NB. this result should be somewhat tempered by the fact that the sample contained a high proportion of respondents from Australia and New Zealand). Traditional Old World wine producers such as Italy, Spain and France filled the bottom places amongst the six originating countries which were examined. While this study has provided the first examination of actual consumer perceptions towards wines based upon their national origin, there is considerable literature to support the view that New World wines are outshining their Old World rivals. A number of researchers have noted that the domination of Old World wines in international markets has declined and there have been significantly increased sales of New World wines in the same key export markets (e.g. Anderson, 2001; Anderson, 2003; Cobb, 2005; Mintel, 2005). Evidence from Sainsbury supermarket sales figures in the UK indicated that the wines from France, Germany and Italy accounted for 94% of sales in 1990, but just 42% by 2002 (Dean, 2002). In addition, Dean (2002) reported that UK consumers were purchasing Australian and New Zealand (New World) wine rather than French (Old World) wine because they trusted and had high confidence in these wines. This study clearly illustrates that consumers perceive wines originating from the New World more favourably than those from the Old World in terms of price and value, quality and prestige, and market presence. Several comments from respondents help to illustrate these findings, including *“New World wines are far better than French wines”, “I like the red wines from the New World wine regions, as the Old World ones are not as good”, “I drink red wines and go for the New World generally (Chile and Australia)” and “best value wines for low pounds are from the New World”*.

## 6 Conclusions

The vast majority of previous country of origin research has found that consumers hold stereotyped perceptions of products based on a product's country of origin (Bilkey & Nes, 1982; Darling & Peutz, 2002; Klein et al., 1998; Leclerc et al., 1994; Lillis & Narayana, 1974). This study has revealed that this holds true with respect to the purchase of wine. An interviewer-administered questionnaire was used to examine if the country of origin affected wine purchasing decisions at the time of purchase. The data revealed that the majority of consumers were able to identify the national origin of the wine they purchased, therefore the stereotyped images they have regarding country of origin are of considerable importance to wine producing nations. This study has demonstrated that country of origin has an effect on the perceptions of wine consumers and appears to have a flow-on effect on their purchase decisions, even if at a subconscious level.

Gluckman (1990) noted that consumer perceptions are based upon expected consequences. With this in mind, these results suggest that consumers typically expect to pay reasonably low prices and attain good value for money when purchasing Australian wines. Likewise, consumers expect that when they open a bottle of New Zealand wine it will be of a high and consistent quality; in addition it is a socially acceptable and prestigious choice for them to purchase. The results also indicate that consumer perceptions of the wines originating from various nations differ across the three dimensions of quality/prestige, price/value and market presence. For example, New Zealand wines are perceived to be the best in terms of quality and prestige value, but with regards to price and value they are perceived poorly and are ranked ahead of only French wines. Italy and Spain are perceived to produce reasonably low priced wines that are good value for money, but which are perceived to be weak in terms of quality and prestige. In contrast, French wines are perceived to be the worst with regards to price and value for money, but are second equal with Australian wines in terms of quality and prestige perceptions. It is apparent that the wines originating from various nations are perceived to have varying strengths and weaknesses which the consumer weighs up when making a purchase decision.

One limitation of this study is that of domestic country biases. Consumer perceptions of their domestic wines in terms of quality/prestige and market presence were found to be more favourable than were their perceptions of imported wines. Several researchers have previously reported that consumers have a bias towards the products that originate from their domestic country over imported products (Baumgartner & Jolibert, 1978; Chinen et al., 2000; Darling & Kraft, 1977; Lillis & Narayana, 1974; Loeffler, 2002; Reiersen, 1966). However, the majority of country of origin research has not found evidence that consumers are biased towards their domestic products. This study had assumed that perceptions regarding the presence of locally produced wines in domestic markets would be high, but wine consumers also have a bias in terms of their perception of the quality and prestige of their domestic wines. This result contradicts that of Wall & Heslop (1986) which reported that domestic wines had a lower quality image than that of imported wines; however, the Canadian industry did not have a strong record of producing premium quality wines at that time. Conversely, consumer perceptions of wine in terms of price/value were more favourable towards imported rather than domestic wines; this is possibly due to the large number of New Zealand consumers who were included in the sample and the previously

discussed finding regarding New Zealand wines being perceived poorly in terms of price and value for money. This study provides support for the notion that home country bias is a product specific phenomenon (Balabanis & Diamantopoulos, 2004; Elliott & Acharya, 2003), but also suggests that any bias may also be a dimension specific phenomenon. It appears that consumers may hold a bias for their domestic products as being better than imported products with regards to some specific dimensions but not in terms of others. Further research on country of origin perceptions could include respondents from Old World wine nations or respondents in relatively new wine consuming nations, to see whether the findings from this study are supported across additional markets.

This study has established that consumers in the global marketplace have different perceptions of wine based *specifically* on the country of origin. This indicates that for wine consumers the country of origin is an important product attribute, although it appears that this cue may be utilised at a subconscious level to affect purchase decisions. The country of origin cue is therefore also of significant importance to those who produce or market wine.

It is difficult to place a monetary value on the most famous product-country images (e.g. Scotch whisky or Swiss watches), but it is likely that consumer perceptions are potentially worth many millions to producers of these products in these countries. This study has identified the perceptions that consumers have toward wines from various producing nations and these perceptions can be considered to have a financial benefit or cost associated with them. For instance, the strong image of New Zealand wines having consistently high quality is likely to be of considerable financial value to members of this nation's wine industry. Similarly, the perceptions amongst consumers of France being a producer of high priced wines, with high status yet inconsistent quality, has probably resulted in a financial cost to wine producers in that nation. Not surprisingly, it is easier to reinforce perceptions than it is to change them; some wine producing nations may need to work hard to modify existing consumer perceptions so they are not a disadvantage to them in international marketplaces.

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